

ASSEMBLY BILL

No. 1342

Introduced by Assembly Member Evans

February 27, 2009

An act to add Chapter 3.8 (commencing with Section 7295) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1342, as introduced, Evans. Local taxation: income taxes: vehicle license fees.

Existing law authorizes various local governmental entities to impose local taxes for various purposes.

This bill would authorize the board of supervisors of any county, by ordinance, to impose either a personal income tax or a vehicle license fee, or both, in accordance with specified requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) Proposition 13 has reduced local property taxes by
- 3 approximately 50 percent.
- 4 (b) In response to the enactment of Proposition 13, the state has
- 5 provided local governmental agencies with increased amounts of
- 6 state funds in order to maintain police, school, and other local
- 7 services.

1 (c) Proposition 13 has resulted in increased state control and
2 decreased local control with respect to the provision local
3 governmental services.

4 (d) The state is experiencing great difficulty in providing state
5 funds to maintain local governmental services at historical levels.

6 (e) It is appropriate and necessary to shift some authority,
7 control, and responsibility back to local governmental agencies in
8 order to allow those agencies to determine the level of services
9 appropriate for their citizens.

10 SEC. 2. Chapter 3.8 (commencing with Section 7295) is added
11 to Part 1.7 of Division 2 of the Revenue and Taxation Code, to
12 read:

13
14 CHAPTER 3.8. COUNTY INCOME TAXES AND VEHICLE LICENSE
15 FEES
16

17 7295. (a) In addition to any other tax authority provided by
18 law, the board of supervisors of any county may, by ordinance,
19 impose either or both of the following in accordance with all
20 jurisdictional and other requirements, including all applicable voter
21 approval requirements, imposed by law:

22 (1) A personal income tax, as follows:

23 (A) The tax is imposed on taxable income in a manner similar
24 to the tax imposed by the Personal Income Tax Law.

25 (B) The tax shall be administered by the Franchise Tax Board.

26 (C) The Franchise Tax Board shall transmit all revenues, less
27 its costs of administration and any refunds, to the county in which
28 the tax is imposed.

29 (2) A license fee for the privilege of operating upon the public
30 highways in this state any vehicle of a type which is subject to
31 registration under the Vehicle Code, as follows:

32 (A) The annual amount of the license fee for any vehicle shall
33 not exceed 2 percent of the market value of that vehicle, and shall
34 be imposed in a manner similar to the fee imposed by the Vehicle
35 License Fee Law.

36 (B) The tax shall be administered by the Department of Motor
37 Vehicles.

1 (C) The Department of Motor Vehicles shall transmit all
2 revenues, less its costs of administration and any refunds, to the
3 county in which the fee is imposed.

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